

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE:

LEHMAN BROTHERS HOLDINGS INC., ET AL.,

Debtors.

CHAPTER 11

Case No. 08-13555 (JMP)

(Jointly Administered)

**OBJECTION OF WHALEBACK FOUNDATION,
TO MOTION PURSUANT TO RULE 9019
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND
SECTION 105(a) OF THE BANKRUPTCY CODE FOR APPROVAL OF
(I) PARTIAL SETTLEMENT AGREEMENTS RELATING TO CERTAIN CREDIT
DEFAULT SWAP AGREEMENTS AND INDENTURES AND (II) AMENDMENT TO
PARTIAL SETTLEMENT AGREEMENT RELATING TO PEBBLE CREEK LCDO
2007-3 CREDIT DEFAULT SWAP AGREEMENT AND INDENTURE
WITH RESPECT TO THE EXUM RIDGE 2007-2 AND PEBBLE CREEK 2007-3
SETTLEMENT AGREEMENTS**

Whaleback Foundation (the "*Noteholder*"), respectfully submits this objection (the "*Objection*") to the Motion, dated October 18, 2013 (the "Motion"), of Lehman Brothers Holdings Inc. ("LBHI" or the "Plan Administrator") as Plan Administrator under the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors* for certain entities in the above-referenced chapter 11 cases, on behalf of itself and Lehman Brothers Special Financing Inc. ("LBSF"), pursuant to section 105(a) of title 11 of the United States Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure for approval of the (i) partial settlement agreements among LBSF, LBHI, U.S. Bank National Association, as Trustee (the "Trustee"), ABS LIBOR Fund, Ltd. (the "LIBOR Fund"), and either Exum Ridge CBO 2006-1, Ltd. and Exum Ridge CBO 2006-1, Corp., or Exum Ridge CBO 2007-2, Ltd. and Exum Ridge CBO 2007-2, Corp.; and (ii) amendment to the partial settlement agreement dated

as of March 8, 2013, among LBSF, LBHI, the Trustee, the LIBOR Fund, Pebble Creek LCDO 2007-3, Ltd. and Pebble Creek LCDO 2007-3, Corp. (the "*Motion*") [ECF 40573], with respect to the Exum Ridge 2007-2 and Pebble Creek 2007-3 Settlement Agreements and in support thereof, respectfully states as follows:¹

1. U.S. Bank National Association serves as Trustee under indentures for the Exum Ridge 2007-2 and Pebble Creek 2007-3 transactions.

2. Each Issuer for each transaction issued various classes of notes under the relevant Indenture and entered into a credit swap agreement with Lehman Brothers Special Financing Inc. ("*LBSF*"). The transactions governed by the Indentures is sometimes referred to herein as the "*Transactions*".

3. The Trustee has been involved in a dispute with LBSF with regard to the priority of payment of a termination payment allegedly due and payable to LBSF under the terms of the credit swap agreements that are a material part of the Transactions.

4. The Trustee and LBSF entered into a Settlement Agreement with regard to the Transactions, subject to approval of this Court, which is the subject of the Motion.

5. The Trustee sent a Notice to holders of the notes issued by the Issuers advising them of the Trustee's and LBSF's agreement for partial settlement of claims, informing them of the Motion and the terms of the partial settlement, and providing them with information as to how to object in the event they disagreed with the settlement offer (the "*Notice*").

6. In response to the Notice, the Noteholder represents and warrants that is a holder of a Class C Note in the Exum Ridge 2007-2 Transaction and the Class D Note in the Pebble Creek 2007-3 Transaction (the "*Notes*") and files this Limited Objection.

¹ Terms not defined herein shall have the meaning ascribed to them in the Motion.

7. The Noteholder with respect to the Transactions, rejects the offer of the Noteholder Settlement Amount in exchange for the Notes and respectfully requests that the Noteholder be an Objecting Noteholder under the Transaction, subject to all the benefits and consequences thereof. The Noteholder reserves the right to rescind this Limited Objection up until the time of the hearing on this matter.

Dated: November 13, 2013
New York, New York

Respectfully submitted,

WHALEBACK FOUNDATION

By: 

Its: President